United Nations A/60/715

General Assembly

Distr.: General
10 March 2006

Original: English

Sixtieth session
Agenda item 136
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Use of the United Nations Logistics Base to provide efficient and economical communications and information technology services, as well as other services, for United Nations peacekeeping and Headquarters clients

Report by the Secretary-General

Summary

The present report presents information on the use of the United Nations Logistics Base to provide efficient and economical communications and information technology services, as well as other services, for United Nations peacekeeping and Headquarters clients. The General Assembly is requested to take note of the report

06-26777 (E) 200306

I. Background

1. The United Nations Logistics Base, located in Brindisi, Italy, has been in operation since late 1994 undertaking tasks related to assets management, including refurbishment, maintenance and storage of serviceable assets from liquidating field missions, and providing global communications support for United Nations operations through a global satellite network. Over time the core functions of the Logistics Base grew to include maintaining a strategic reserve of equipment, a training centre and expanded information and communications technology services to peacekeeping missions, offices away from Headquarters, agencies, funds and programmes.

2. The Secretary-General in his report (A/59/703) had recommended against relocation of procurement and other logistics functions to the Logistics Base as that would have a negative impact on the overall capacity of the Organization to deploy new missions rapidly and effectively and to provide efficient logistical support to ongoing peacekeeping and peacebuilding missions. The General Assembly, in its resolution 59/299, of 22 June 2005, requested the Secretary-General to undertake further analysis of how the logistics base could best be utilized to provide efficient and economical communications and information technology services, as well as other services, for United Nations peacekeeping and Headquarters clients.

3. The Secretariat conducted a review of its peacekeeping operations and identified the functional areas that could be undertaken at the Logistics Base to provide efficient and economical service to the Organization.

II. Functions proposed for establishment at the United Nations Logistics Base during fiscal year 2006/07

Aviation safety

4. A Regional Aviation Safety Office is to be established in Brindisi to monitor closely and oversee the safety issues for aircraft deployed in the peacekeeping missions. The establishment of this office was recommended by the Office of Internal Oversight Services (A/59/347) and details are included in the 2006/07 cost estimates for the Logistics Base (see A/60/711).

Integrated training service

5. The Department of Peacekeeping Operations is also proposing to create a Training Delivery Cell at the Logistics Base, augmenting training resources to be transferred from United Nations Headquarters. This relocation is expected to result in cost savings by increasing the efficiency and effectiveness of peacekeeping training along with facilitating increased training in cooperation with Member States. The details of this Cell are included in the 2006/07 cost estimates for the Logistics Base.

III. Functions proposed for establishment at the United Nations Logistics Base during fiscal year 2007/08

Air transport

6. There has been a significant increase in the aviation fleet of the Department of Peacekeeping Operations in recent years. Currently, the Department deploys 208 air assets in 15 field missions, compared with 126 in 2001. These air assets service more than 450 airfields, helipads and landing sites. This increase has necessitated the strengthening of the Department's aviation programme for commercially contracted and Government provided air assets by establishing a Strategic Operations Centre to maximize the global use of United Nations air assets. It is proposed that the Centre be established at the Logistics Base and consist of the following units:

(a) **The Strategic Air Operations Centre**, which would undertake strategic oversight of the Department's aircraft operating intramission flights, including supporting special flights. Brindisi, with its central location in terms of time zones, would greatly increase the interaction with the mission aviation operations. The Centre would also analyse the aircraft usage reports to ensure efficient fleet management, contract performance and compliance with the United Nations charter agreements. The Centre would include a global flight following system in support of the regionalization concept of the United Nations air assets. This would greatly enhance air safety and ensure a proper tracking and management of peacekeeping air assets. All strategic cargo and passenger air lift would be supported in terms of flight planning and coordination through the operational control system. The above unit would be staffed by three personnel (2 P-3/P-2 posts and 1 General Service post). New posts would be requested for these personnel in the context of the 2007/08 budget for the Logistics Base.

(b) **The Aviation Quality Assurance Programme**, which would assess the effectiveness and competence of the aviation assets and related air/ground support services against international and Department of Peacekeeping Operations aviation standards. The assessment would cover both vendors currently doing business with the United Nations and those vendors who were registered with the Organization to provide a larger pool of vendors. The Programme would be expected to undertake 50 assessments each year and would be in line with recent recommendations of the Office of Internal Oversight Services (as contained in its report A/59/347) and is pursuant to the report of the Secretary-General on the implementation of the recommendations of the Special Committee on Peacekeeping Operations (A/57/711). The Programme would be staffed by two Air Transport Officers (at the P-3 level) to be funded through new posts which would be requested in the 2007/08 budget for the Logistics Base.

Engineering

7. The Department of Peacekeeping Operations proposes the establishment of a Central Design Unit in Brindisi to reduce or eliminate the requirement for these skills in many missions as well as to standardize designs and drafting of accommodation and other engineering work. The Unit would be responsible for preparing the designs, statements of works, schedules of quantity and engineering drawings for projects identified by the missions, ensuring that the designs meet the

local code requirements and have minimal impact on the environment. They would prepare all the documentation required for the mission to call for tenders, conduct, in conjunction with the Procurement Service, the pre-bid meeting, which includes the site inspection by the bidders. While the contracts would be enforced and supervised by the missions, the Unit would assist with any changes to the specification that might be required during the construction phase.

8. It is envisaged that the Unit would be staffed by four personnel (1 P-4 (Chief), 1 P-3 and 2 local staff). The Professional post requirements would be met through the proposed redeployment of posts from existing missions (the United Nations Mission in the Sudan (UNMIS) and the United Nations Mission in Liberia (UNMIL)) while the request for two local General Service posts would be included in the 2007/08 budget. It is likely that the Unit would use the services of specialists/consultants on an as-required basis.

Geographical Information System (GIS)

9. To establish the Department's global Geographical Information System (GIS) capacity, in particular in support of rapid mission start-up and improvement of field mission operational readiness, it is proposed that a Geographical Information System Centre be established in Brindisi. The Centre would undertake the following functions:

(a) Acquire/produce base geo-data for the start-up of missions and mission planning;

(b) Maintain a data repository, including a backup/replica of the mission and Headquarters data;

(c) Enhance geo-information flow between missions and United Nations Headquarters;

(d) Provide on-demand geographic analysis and maps, in particular for mission planning and start-up;

(e) Provide GIS application services, such as web mapping, using various applications;

(f) Provide GIS, remote sensing, global positioning system (GPS) and mapping-related training;

(g) Provide logistics and requisitions support for start-up missions;

(h) Deploy a GIS start-up team to provide on-site assistance during the start-up of mission GIS units.

10. The Centre would be staffed by eight personnel (1 P-3, 1 P-2, 1 Field Service and 3 local staff, augmented by 2 international contractors). It is proposed that the two Professional posts and one Field Service post be redeployed from existing missions (UNMIS, MONUC and United Nations Operation in Burundi (ONUB)) while the requirement for three local staff posts would be included in the 2007/08 budget for the Logistics Base.

IV. Recomposition of strategic deployment stocks

11. Strategic deployment stocks are an integral part of rapid deployment of a new mission and the Logistics Base plays a very active role in the storage, preparation and dispatch of items to the missions. In 2005, the Department of Peacekeeping Operations undertook an extensive review of the composition of strategic deployment stocks to ensure that this capability would be more dynamic, flexible and responsive in the light of the lessons learned from the recent surge in mission deployments as well as changes in the operational environment.

12. The major improvements involve increased capacities to support the material requirements of new minimum operating safety standards; increase in the variety and quantities of fuel equipment to support the rapid deployment of increasing numbers of aircraft in remote locations; and creation of the second "fly-away kit" to provide the capacity to support multiple rapid deployments of new or expanding peacekeeping operations.

13. The Logistics Base continues to play a significant and critical role in receiving and preparing these assets for deployment in the field missions.

V. Communications and information technology

14. The Secretariat continues to expand its current operations in the Logistics Base to meet the evolving and increasingly complex information needs of field missions and satisfy disaster recovery and business continuity requirements within infrastructure limitations. A centralized data backup system between the field missions and the Logistics Base and the Logistics Base and New York and vice versa is in place. Other expansion projects include the centralization of information systems utilizing web technologies, the transfer of all critical information and communications technology infrastructure and equipment to a secure and fault-tolerant hardened facility and an expansion of the video bridge to facilitate secure videoconferencing. The Secretariat is also in the process of obtaining ISO 27000-information security management certification for the information and communications technology infrastructure and operations at the Logistics Base.

15. Centralizing infrastructure leads to efficiency gains in resource utilization and improves monitoring and management of activities. However, it also introduces a single point of failure. Any catastrophic event in Brindisi, natural or man-made, would result in United Nations operations losing access to all data and information and communications technology services. This risk was highlighted by the Office of Internal Oversight Services in its management audit of the information and communications technology of the Department of Peacekeeping Operations conducted in the fall of 2005.

16. To address this critical issue, the Department of Peacekeeping Operations is proposing the establishment a secondary active communications facility and a disaster recovery and business continuity centre for information and communications technology. This would ensure the safety of the United Nations information/data assets in the event of a catastrophic incident and provide continuous voice, data and video services in cases of short-term disruptions. Proposals from Member States are currently being evaluated with a final

recommendation to be submitted to the legislative bodies at the resumed session of the General Assembly.

VI. Action to be taken by the General Assembly

17. The General Assembly is requested to take note of the report of the Secretary-General.

United Nations A/60/716

General Assembly

Distr.: General
13 March 2006
English
Original: Spanish

Sixtieth session
Agenda items 71 (b) and 107

Human rights questions: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms

International drug control

Letter dated 10 March 2006 from the Permanent Representative of the Bolivarian Republic of Venezuela to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith important information concerning the most recent offensive undertaken by the Government of the United States of America, on the basis of falsehoods and distortions, against the Government of the Bolivarian Republic of Venezuela (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly under agenda items 107, International drug control, and 71 (b), Human rights questions: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms.

Accept, Sir, the renewed assurances of my highest consideration.

(*Signed*) Fermín **Toro Jiménez**
Ambassador
Permanent Representative

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Annex to the letter dated 10 March 2006 from the Permanent Representative of the Bolivarian Republic of Venezuela to the United Nations addressed to the Secretary-General

The Bolivarian Republic of Venezuela would like to draw the international community's attention to the political strategy which the United States of America has been using for some time to delegitimize and destabilize the Government of the Republic.

The *2006 International Narcotics Control Strategy Report* issued by the United States Department of State claims that the Bolivarian Republic of Venezuela is a key transit point for drugs leaving Colombia. This presupposes that our country does not adequately secure the borders of its territory. The report also asserts that in 2005 we did not demonstrate due compliance with drug control agreements and that we need to make "substantial efforts" to attack corruption and enhance transparency and cooperation.

Consequently, our country, as a result of this bizarre, rash and defamatory assessment, is no longer eligible to receive United States aid or other types of special assistance for combating drug trafficking.

The only explanation we can find for these attacks is that they are part of a policy being waged by the United States Government to marshal world opinion against our country and to sully its record in this area.

The foreign policy of the Bolivarian Republic of Venezuela in the area of combating drug production, trafficking and consumption

I
Principles

In our Republic, the problem of drugs and drug trafficking is regarded as a crime against humanity because it affects the weakest sectors of society. Our country therefore supports all policies aimed at eradicating illicit drugs by means of action and cooperation implemented through the establishment of domestic and international mechanisms, both bilateral and multilateral, that help to strengthen the specific actions taken as an immediate response to the challenges posed by this issue. It is essential, in this regard, that all countries that share this responsibility take vigorous action to combat the use of narcotics in destination countries so that efforts to control production can be effective.

The two key links in the drug trafficking chain are production and consumption. If there is no consumption, there will be no production or trafficking. Thus, it must necessarily be concluded that the primary task in the fight against drug trafficking falls to the countries where illicit drug use is concentrated: those of the first world, where the unravelling of the social fabric, dehumanization, the tyranny of the market and the weakening of family ties have contributed to the significant increase in the use of narcotics.

In view of the foregoing, we understand the importance of international assistance and technical cooperation to combat drug abuse and illicit drug

production and trafficking. It is important to specify, however, that no agreement to cooperate in combating drug trafficking can undermine the principles enshrined in the Charter of the United Nations and international law, especially those concerning territorial integrity and non-intervention in the internal affairs of States. The mandate which we have assumed is based on ethical and social considerations, as we are moved and alarmed by the painful spectacle of the youth and child populations victimized by this terrible scourge, which wreaks havoc in families and communities and represents a public health problem of the utmost importance.

To the Bolivarian Republic of Venezuela, this endeavour is a matter of principle, regardless of whether or not our efforts are recognized or certified by foreign authorities. This is a crime that directly affects the well-being of the most vulnerable sectors of society.

II
The Bolivarian Republic of Venezuela and the war on drugs

We will limit ourselves to refuting, with facts and figures, the allegations made by the irresponsible spokespersons for the Department of State of the United States of America.

In 2004 the Bolivarian Republic of Venezuela set a new record for the confiscation of drugs in the hemisphere. The amount confiscated that year was 43 tons. In 2005, when the country was neither decertified nor certified, the Venezuelan authorities confiscated 79.5 tons, or almost twice the amount seized in 2004. In addition, crop eradication efforts were stepped up. Some 248 hectares of land used for drug cultivation in areas along the border with Colombia were cleared. Moreover, an extremely important money-laundering case was prosecuted in the State of Táchira in the western part of the country.

In 2005 the Venezuelan National Assembly passed two laws to combat the scourge of drugs and irregular groups: the Organized Crime Act and the reform of the Narcotic Drugs and Psychotropic Substances Act, which stiffened the penalties for crimes related to drug trafficking.

It should be added that a European Union-sponsored household survey was conducted in the Bolivarian Republic of Venezuela last year. The survey showed that 0.47 per cent of our country's inhabitants take drugs. This contrasts sharply with the percentage of drug users in the United States: statistics indicate that 9.47 per cent of the United States population, or 35 million of its inhabitants, take drugs. This situation does indeed merit close attention on the part of the United States Government.

The United States Government is attempting to turn victims into villains and villains into victims. The Bolivarian Republic of Venezuela does not consume the amount of drugs consumed in the United States. This political stance on the part of the United States Government is also a tactic for hiding its own incompetence and inefficiency in protecting the health of its citizens with respect to drug use. As long as the problem of cocaine use is not addressed, inflows of the drug will continue unabated from producer countries to the United States and other countries where drugs are consumed.

The Bolivarian Republic of Venezuela has continued to develop its anti-drug policy. This year, the authorities intend to implement, along with Colombia, a

bilateral crop eradication plan and in-depth exchanges of information on ways to combat money-laundering. We have also signed anti-drug agreements with 42 countries. We are cooperating and working in this area with all the European countries.

We have held negotiations with the United States authorities on a new anti-drug agreement; currently, we are waiting for those authorities to signal their willingness to sign it. Even though we do not yet have an agreement, we have greatly improved our efficiency in combating illicit drugs. In fact, Venezuelan society has designed mechanisms for combating the drug trafficking industry, even though our country does not participate in or benefit from that industry. We will pursue our efforts with respect to drug trafficking because we sincerely believe in the significance of the efforts under way to combat the illicit drug trade. A United Nations study on why cocaine use is still so prevalent in the United States would be of interest.

III
Conclusions

On 10 October 2005, in the United Nations General Assembly debate on international drug control, the Permanent Mission of the Bolivarian Republic of Venezuela reported that on 8 August 2005 we had been obligated to suspend our relations with the United States Drug Enforcement Agency in our country. Through an investigation launched in late July 2005 by the Office of the Attorney-General of the Republic, it was discovered that that Agency was conducting subversive intelligence operations aimed at destabilizing the State and its institutions. The United States Government responded to this sovereign decision by questioning our attitude towards the drug problem, in an attempt to portray our country in a negative light so as to discredit our policy against drug trafficking. We refer back to the above-mentioned facts and figures, which speak for themselves.

We do not believe that any State can arrogate the right to establish criteria or benchmarks with which to gauge or disparage the efforts of other States to combat illicit drugs. Moreover, no State can justifiably take unilateral coercive measures to impose policies on any other State with respect to the fight against illicit drug trafficking. We reaffirm the commitment of the Government of the Bolivarian Republic of Venezuela to continue to take decisive action against this scourge, on the understanding that the consumer countries must carry out genuine, effective policies to reduce the demand for narcotics.

The United States of America persists in manipulating the international community by waging a campaign, through the media outlets it controls, to discredit a people whose efforts to combat the drug problem are based on principle and on the interests of public health and social development. The United States Government's attack on our country is systematic and carried out on various fronts. Its purpose, we repeat, is to systematically discredit the Venezuelan Government, which is out of favour with the United States authorities.

Day by day, our country is winning more worldwide recognition for its achievements in the social field and for its international policy, the cornerstone of which is cooperation in all areas, particularly the promotion and observance of human rights.

We reiterate our commitment to combat illicit drugs and eradicate their harmful consequences, in line with the Charter of the United Nations, current provisions of public international law and our Constitution.

We reject the political ploys being used by the United States of America, which are based on lies and distortions and are aimed at destabilizing the Bolivarian Republic of Venezuela and reducing it to a quasi-colonial society dominated and exploited by the Government of that country and by transnational corporations. Notwithstanding this situation, we reiterate our irreversible and incorruptible resolve to pursue the path of sovereign self-determination.

United Nations A/60/717

General Assembly

Distr.: General
13 March 2006

Original: English

Sixtieth session
Agenda items 132 and 136

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Office of Internal Oversight Services on the comprehensive management audit of the Department of Peacekeeping Operations*

Summary

In its resolution 59/296 of 22 June 2005, the General Assembly requested the Office of Internal Oversight Services (OIOS) to conduct a comprehensive management audit of the Department of Peacekeeping Operations. The main objectives of the audit were to review Departmental practices to identify risks and exposures to duplication, fraud and abuse of authority in: finance and budgeting; procurement; human resources, including recruitment and training; and information technology; and to report thereon to the General Assembly at its sixtieth session.

Overall conclusion

The Department of Peacekeeping Operations has made some progress in recent years in improving the management of peacekeeping operations. Recent initiatives include (a) the introduction of the integrated mission planning process for new missions; (b) the establishment of strategic deployment stocks, which has reduced the time frame for mission start-up; (c) the design and delivery of training programmes for peacekeeping personnel; and (d) a robust response to allegations of sexual exploitation and abuse in field missions. However, in the view of OIOS, those achievements have not kept pace with the challenges inherent in the rapid increase in field operations. More needs to be done by the Department of

* The present report could not be submitted prior to the deadline owing to the time taken by the Department of Management and the Department of Peacekeeping Operations to provide responses to the report's findings and recommendations.

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Peacekeeping Operations, in cooperation with the Department of Management, to improve the management of peacekeeping operations by strengthening internal controls and ensuring that established controls are enforced. Also, there has been inadequate emphasis on establishing a high level of ethical behaviour and accountability, which has led to a culture of impunity. OIOS stresses the importance of the Charter of the United Nations, which explicitly calls for the necessity of securing the highest standards of efficiency, competence and integrity.

In that context, it is also relevant to note that the *Guidelines for Internal Control Standards for the Public Sector* of the International Organization of Supreme Audit Institutions (available at http://www.intosai.org/Level3/Guidelines/3_InternalContrStand/3_GuICS_PubSec_e.pdf) emphasize the responsibility of management for upholding ethical values and professional standards. The International Organization of Supreme Audit Institutions uses the concept of "control environment", which sets the tone of the organization and influences the control consciousness of its staff. The control environment is the foundation for all other components of internal control, such as those reflected in rules, regulations and established procedures, providing discipline and structure. The responsibility for the control environment comprises responsibility for such processes as risk assessment and control activities to mitigate risk.

In the opinion of OIOS, the control environment in the Department of Peacekeeping Operations and the Department of Management has been inadequate. OIOS is particularly concerned about the risks and exposures in the area of procurement, where it found a number of cases indicating systematic breaches of United Nations regulations and rules. One of the root causes of this situation is the reluctance of management to hold staff members accountable for violations of rules and regulations and poor management. This has led to an unacceptably high exposure to the risk of fraud and abuse. Immediate steps are needed to improve management practices by establishing appropriate mechanisms to ensure managerial accountability at all levels, both at Headquarters and in field missions. It is encouraging to note that management has initiated an inquiry into the specific cases highlighted in the present report to address accountability.

OIOS also identified considerable scope for improving the management of peacekeeping operations by (a) reorganizing the budget process for efficiency and the elimination of duplication; (b) delegating recruitment authority to field missions concomitant with effective monitoring at Headquarters; (c) optimizing the use of information and communication technology; (d) strengthening the capacity for mission planning and the provision of strategic guidance and direction; (e) improving coordination between the Department of Peacekeeping Operations and other United Nations departments and agencies; and (f) placing greater emphasis on the identification and dissemination of best practices from positive and negative lessons learned.

The main audit findings and recommendations in each of the operational areas reviewed are set out below.

Procurement

OIOS detected significant actual and potential losses of United Nations resources arising from poor management and possibly fraudulent activities, which occurred as a result of over-budgeting of requirements, and gross negligence or lack

of proper care and attention by officials responsible for designing and implementing internal controls over procurement for peacekeeping operations. The Department of Peacekeeping Operations and the Department of Management have not enforced accountability for violations of internal control processes, Financial Regulations and Rules of the United Nations, and established procurement procedures. Senior management needs to take immediate steps to strengthen peacekeeping procurement procedures and ensure that the Organization holds the responsible managers accountable for their actions which led to these losses.

Financial management and budgeting

The review of missions' budget submissions and performance reports conducted by the Finance Management and Support Service of the Department of Peacekeeping Operations duplicated those carried out by the Peacekeeping Finance Division of the Office of Programme Planning, Budget and Accounts. There was similar duplication in the review of the missions' financial statements by the Finance Management and Support Service and the Accounts Division. The Department of Management and the Department of Peacekeeping Operations need to take immediate steps to reorganize the budget process, consolidate related functions, implement an integrated financial and budget management system, and redefine roles, responsibilities and administrative arrangements in order to increase efficiency by avoiding duplication of efforts between the Office of Programme Planning, Budget and Accounts and the Department of Peacekeeping Operations.

Human resources management

As at 31 May 2005, the overall vacancy rate in field missions was 23 per cent. The vacancy rate in the Professional category and above was higher, at 32 per cent. The recruitment process lacked transparency and did not provide assurance that the best candidates were selected. Significant improvements are needed to make the delegation of authority given to the Department of Peacekeeping Operations an efficient arrangement for providing staff to field missions. The Department has concentrated its delegated recruitment authority at Headquarters, resulting in the same inefficiency that was to be overcome by the delegation. The Department has not taken adequate steps to delegate recruitment authority to field missions, as recommended by the Panel on United Nations Peace Operations (see A/55/305-S/2000/809). The Office of Human Resources Management did not adequately monitor the authority delegated to the Department of Peacekeeping Operations. OIOS believes that the Department of Management needs to review the success of the delegation of authority to the Department of Peacekeeping Operations, taking into consideration the original intent of the delegation, the efficiency and effectiveness of the implementation by the latter of the delegated authority, and the effectiveness of the Office of Human Resources Management in monitoring the delegated authority.

Information and communication technology

The Department of Peacekeeping Operations needs to finalize its information management strategy and carefully analyse ongoing information system initiatives for interoperability and interconnectivity with existing and future systems. The Department's use of information and communication technology could be optimized if the Communications and Information Technology Service is viewed and used as

more than just a provider of logistics support. The Service needs to be repositioned in the overall structure of the Department to more effectively and efficiently address the strategic information needs of the whole Department as well as field missions.

Mission planning

OIOS identified several areas which need improvement to make planning more comprehensive and effective. For example, the integrated mission planning process lacked strategic guidance and direction at Headquarters. In the absence of a dedicated planning cell within the Department of Peacekeeping Operations, mission planning was operationalized through ad hoc working groups, which impeded the efficiency and effectiveness of the planning process. Also, results-based budgeting was not linked to the mission planning process, which increased the risk of inefficient and ineffective use of resources.

Substantive operations

Despite its efforts to keep pace with the rapid expansion and increasing complexity of peacekeeping operations, the Department of Peacekeeping Operations has been unable to build sufficient capacity at Headquarters to provide policy guidance and oversight on substantive operations such as disarmament, demobilization and reintegration, human rights, rule of law, and protection of civilians. As a result, the governance and accountability mechanism in those areas at the Headquarters level remained weak. Coordination among the several United Nations departments and agencies involved in those operations was not always effective.

Best practices

The numerous ad hoc tasks entrusted by the management of the Department of Peacekeeping Operations to its Peacekeeping Best Practices Section hindered the Section from focusing on its core functions. Better planning, a focus on core tasks and the use of planning techniques, such as process mapping and risk assessment, need to be considered for the future. Overlap with the work of the office of the Director of Change Management is an issue that needs to be addressed by clarifying the work relationship between the two entities.

Recommendations

OIOS made 158 recommendations, including 105 considered to be critical, in the seven audit reports that were issued to the Department of Peacekeeping Operations, the Department of Management and the Department of Political Affairs as part of its management audit of the Department of Peacekeeping Operations. Of these, 133 recommendations were accepted by the departments concerned. OIOS has reiterated 25 unaccepted recommendations for reconsideration by the departments concerned. Most of the accepted recommendations were in the process of being implemented.

Preface

Pursuant to General Assembly resolution 59/296, I have the honour to transmit the attached report on the comprehensive management audit of the Department of Peacekeeping Operations. The report consolidates the results of seven component audit reports issued by the Office of Internal Oversight Services (OIOS) to the Department of Peacekeeping Operations and Department of Management in February 2006. Owing to the page limitation that the office has to adhere to, it was not possible for OIOS to include all its findings and recommendations in the present report. However, Member States may request copies of the individual audit reports pursuant to General Assembly resolution 59/272.

As part of the intention of OIOS to rationalize and consolidate the submission of reports for consideration by the General Assembly, and drawing from the experience in preparing the present report, OIOS is proposing that the annual report on its activities relating to peacekeeping operations be issued separately to the General Assembly. This would facilitate the preparation of a comprehensive annual report of peacekeeping-related oversight activities each year for consideration by the General Assembly during its resumed session when peacekeeping matters are usually scheduled. OIOS proposes to issue the first report on activities of OIOS in peacekeeping operations at the resumed sixty-first session of the General Assembly. The general report on the activities of OIOS for the period from 1 July 2005 to 30 June 2006 to the General Assembly at its sixty-first session would therefore not cover peacekeeping oversight activities. The General Assembly may wish to consider this proposal in its deliberations.

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I. Introduction

1. As requested by the General Assembly in its resolution 59/296, OIOS conducted a comprehensive management audit of the Department of Peacekeeping Operations from July to December 2005. The main objectives of the audit were to review the Department's practices and identify risks and exposures to duplication, fraud and abuse of authority. The audit also included a business process review of the preparation of peacekeeping budgets, including the respective roles of staff in missions and at Headquarters.

2. The audit was conducted mainly at United Nations Headquarters and covered the following operational areas:

(a) Procurement;

(b) Financial management and budgeting;

(c) Human resources management;

(d) Information and communications technology;

(e) Mission planning;

(f) Substantive operations;

(g) Best practices.

3. Selected field missions were used as case studies, and the audit included a follow-up of the implementation of previous OIOS recommendations relevant to the operational areas reviewed.

4. Draft reports relating to each operational area were issued to the Department of Peacekeeping Operations, the Department of Management and the Department of Political Affairs, as appropriate. Their comments are shown in italics.

II. Procurement

A. Exposure to the risks of fraud and abuse

5. The OIOS assessment of the risks arising from major control overrides (for example, when internal controls are intentionally disregarded) and control weaknesses (for example, when internal controls are not properly designed to mitigate the risks of fraud and abuse) in procurement for peacekeeping operations indicated that the occurrence of fraud and abuse was almost certain under current conditions, with a severe impact on the Organization's reputation and finances. In the view of OIOS, there was substantial evidence that senior management in the Department of Peacekeeping Operations and the Department of Management had not exercised due care and diligence to ensure that adequate internal controls were in place and that they were properly enforced. Moreover, there has been inadequate emphasis on establishing a high level of ethical behaviour and accountability, despite numerous irregularities reported in previous audits. This has led to a culture of impunity.

6. OIOS stresses the importance of the Charter of the United Nations, which explicitly sets out the standards expected of international civil servants, particularly

Article 101, paragraph 3, which states in part that the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. The audit of procurement for peacekeeping operations showed that there were serious lapses in adhering to those standards. *The Department of Peacekeeping Operations commented that it supports the need to improve awareness of fiduciary responsibilities on the part of its managers and to hold managers accountable for their decisions. In that respect, the Department has already commenced several initiatives to better equip its senior administrators for their posts and provide a sound basis for the designation of staff performing significant managerial functions. The Department also holds the view that in making assessments of the adequacy of managers' actions, consideration must be given to the environment in which decisions are made.*

B. Over-budgeting of requirements

7. Planning for mission requirements should be based on realistic assumptions and performed by competent staff. In many cases, OIOS found that this was not the case. Estimates of mission requirements for goods and services were inflated and had resulted, in some cases, in large financial losses to the Organization. Such inaccurate forecasting of requirements also exposed the Organization to risks of collusion with vendors, theft or other irregular activities.

Commodity for Missions A and B

8. The contract for the provision of a major commodity to Mission A was entered into with a vendor in an amount not to exceed $85.9 million to cover nine months' requirements from the mission's inception. The Logistics Support Division of the Department of Peacekeeping Operations established those requirements at 10 million units per month, based on full deployment from the Mission's inception, which was not a realistic assumption. As at October 2005, Mission A had used only 27 per cent of the contract, or 2.2 million units in total, during seven months. Based on the highest monthly consumption ($4.1 million in September 2005 for a 40 per cent deployment) applied to the last two months covered by the contract, OIOS determined that the Logistics Support Division had overestimated Mission A's requirements by $53 million. *The Department of Peacekeeping Operations commented that the requirements had to be based on the anticipated troop deployment schedule. As of October 2005, only 25 per cent of the number of troops forecast in October 2004 had arrived.* However, OIOS is of the view that the variance between planning assumptions and actual consumption is too significant to be explained solely by protracted troop deployment.

9. Likewise, the Logistics Support Division had overestimated the contract ceiling for the supply of a major commodity to Mission B by $31 million. The Division budgeted $38 million for 2004/06, whereas Mission B recorded peak consumption as of October 2005 and met only 19 per cent of the estimated quantity.

Vehicle spare parts

10. As of October 2005, the value of the spare parts inventory in 12 missions exceeded the 2004/05 requirements by $15 million. The December 2003 vehicle

spare parts management systems review report, which was commissioned by the Logistics Support Division, recommended central administration of direct procurement activities for vehicles, training, warranties and spare parts to control procurement of items already available in other missions. The report noted that in 2002, at least $16 million worth of spare parts had been written off for closed missions. Those spare parts could possibly have been used by ongoing missions had their availability been reported early. The report also stressed the need to improve the capability of the Galileo and Mercury computerized systems to forecast demand and to track the status of items from requisition until delivery. Those recommendations were not implemented.

11. Moreover, based on consumption rates reflected in the missions' budgets, it would take one to three years for the current stocks to be consumed. The costs of holding and the future disposal of those stocks would further increase the waste of resources. Such mismanagement of spare parts also increased the risk of theft. *The Department of Peacekeeping Operations commented that the inventory of vehicle spare parts was not excessive considering the challenging conditions in which missions operate. The write-off of $16 million of obsolete spare parts had more to do with the rationalization of the mission's vehicle fleet from 256 models to 52. The rationalization had created opportunities for substantial savings from fleet discounts and commonality of spare parts among models from the same manufacturer. However, the Department acknowledged that there was room for improvement in the management of spare parts inventory and that some missions had excessive stocks.*

Deployment of a contingent in Mission A

12. OIOS identified the waste of approximately $3.9 million in resources owing to the injudicious use of air transportation to transport a contingent and its equipment to Mission A. Although the personnel and equipment were airlifted on the grounds of urgency, the contingent could not be deployed at the designated location in Mission A for logistical reasons. In the view of OIOS, the delay was predictable to a certain extent, and the use of air transportation, which is seven times costlier than sea transportation, was not justified in this case since the Organization had had more than five months to arrange alternative means of transport. *The Department commented that it procures air transportation for contingent-owned equipment based on the most accurate and updated deployment assumptions, and that there was no waste in this case.* OIOS maintains that there was lack of due care in using the Organization's resources, and highlights the potential for economy in the transportation of contingent-owned equipment without detriment to timely deployment.

C. Inadequate control over the payment of vendor invoices

13. The Accounts Division, in its capacity as approving officer for payments at Headquarters, did not implement the controls required by financial rule 105.6 (a), which states that approving officers are also responsible for authorizing payments after ensuring that they are properly due and confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered. Approving officers are also required to maintain detailed records and must be

prepared to submit any supporting documents, explanation and justification requested by the Under-Secretary-General for Management. In 79 out of 102 cases (or 77 per cent), no documentation had been submitted to the Accounts Division to show that the missions had received the goods and services for which payment had been requested. In 25 cases out of 102, duplicate invoices had been approved for payment. *The Office of Programme Planning, Budget and Accounts stated that additional control procedures are being put in place to ensure that payments against duplicate invoices are not made, except in exceptional cases upon the explicit approval of a senior finance officer.*

D. Inadequate control over performance bonds

14. The review by OIOS of nine selected contracts valued at $313 million showed that the value of performance bonds obtained from contractors averaged only 1.4 per cent as against the minimum rate of 10 per cent of contract price. The lack of appropriate performance guarantees exposed the Organization to considerable financial risk. Furthermore, controls over the custody and release of performance bonds were inadequate, as was evident when the Procurement Service released a $3.7 million bond in October 2004 in contravention of the relevant contract provision, even though the contract ended in June 2005.

E. Staff profile

15. An audit by OIOS in 2004 of procurement activities in Mission F showed that the procurement staff was generally unaware of basic procurement concepts. For instance, only 33 per cent of the staff was aware that requisitioning officers cannot recommend vendors; none of them was aware that the Procurement Section of the Mission should participate in the procurement and spending plans drawn by various requisitioning units; and only 25 per cent knew the required minimum number of invitees for a bid.

16. The review by OIOS of the qualifications of procurement staff in missions indicated that the clearance process for procurement officers, which is performed by the Procurement Service prior to staff selection, was not documented by the Personnel Management and Support Service of the Department of Peacekeeping Operations. Since that Service did not maintain complete records of staff members' curriculum vitae, OIOS could not match the staff members' qualifications with the required standards. Furthermore, the process for selecting Headquarters staff for mission posts with important fiduciary responsibilities was not competitive.

17. The above practices increased the risk of abuse of authority in staff selection. For example, a post at the P-3 level in Mission A was encumbered from early 2004 to December 2005 by a staff member who was responsible for managing a $201 million contract. OIOS found that the mismanagement of that contract, within seven months after it came into force, had resulted in losses amounting to $1.6 million, in addition to an irregular payment of at least $873,000 to the vendor.

F. Serious violations of the Financial Regulations and Rules of the United Nations

18. An audit of Mission F also found a pattern of repeated violations of the Financial Regulations and Rules of the United Nations. For example, purchases of cables and other electrical materials, air conditioning equipment and plywood totalling approximately $2 million were split into smaller value requisitions to bypass reviews by the local and Headquarters committees on contracts. *The Department of Peacekeeping Operations commented that the audit report on which the case is based contains factual errors and that the validity of the findings remains in question.* OIOS is reviewing this matter in consultation with the Department on the basis of the additional information provided by the Department.

19. Another audit of procurement activities in Mission B found instances in which purchases totalling about $9 million had been made directly by the requisitioning units without the knowledge of the Procurement Section. This was in breach of the delegation of authority for procurement, which is based on the principle of segregation of duties between the requisition and procurement functions.

G. Insufficient staff in the Procurement Service

20. According to the Procurement Service website, the Organization procured commodities amounting to about $3 billion from 2002 to 2004, of which $2.5 billion, or 82 per cent, represented purchases for peacekeeping missions. Of that amount, 56 per cent was disbursed at Headquarters. The statistics indicated that 36 staff members within the Procurement Service were responsible for processing 56 per cent of peacekeeping procurement, as compared to 275 mission staff for the remaining 44 per cent of procurement activities. The disparity between those figures is even greater, considering that payments made by missions included those for food rations and fuel, for example, which are handled by the Procurement Service. For example, in 2005 one officer at the P-4 level handled $2 billion worth of procurement for fuel and rations, two officers at the P-3 level handled around $150 million worth of new and existing engineering contracts, and five officers at the P-4 and P-3 levels were responsible for $200 million in information and communication technology contracts. In addition, a staff member at the P-4 level in the Field Procurement Section of the Procurement Service processed 200 local procurement cases for submission to the Headquarters Committee on Contracts.

21. The large volume of procurement, coupled with resource constraints in the Procurement Service, did not allow for staff rotation. It also precluded the formation of teams to process complex requisitions or to implement a peer review system for major contracts. Also, supervision over buyers was minimal. There was significant exposure to the risk of bypassing internal controls to meet deadlines. Furthermore, the discretion left to individual buyers increased the risk of conflict of interest and collusion with vendors. OIOS found that the management of an estimated requirement in the amount of $1 billion had been left to staff members at the P-5 level in the Procurement Service and the Logistics Support Division of the Department of Peacekeeping Operations with little or no oversight by senior management. *The Department of Management commented that the Procurement Service is dependent on the approval of posts requested under the Support Account for Peacekeeping Operations.*

II. Irregularities in procurement

22. The review by OIOS of a sample of procurement files identified the following irregularities:

(a) There were instances of inappropriate communication among senior United Nations officials, a national Government and vendor representatives, as well as indications of bid rigging in the procurement of services through a letter of assist. The procurement process and the payment made in this case were irregular;

(b) There were indications of collusion among officials of Mission A, the Logistics Support Division and the Procurement Service in the award of a $85.9 million major commodity contract to a favoured vendor;

(c) The review by OIOS of five contracts pertaining to one vendor showed that a procurement officer had repeatedly breached established procurement procedures to award contracts to the vendor by cancelling and resubmitting bids, altering bid prices, imposing bid requirements or specifications already found in the favoured vendor's original bid and providing very little time to the other bidders to respond. OIOS regards those breaches as strong indications of collusion with the vendor. The total value of those contracts was $48.6 million;

(d) OIOS also found strong evidence suggesting that a contractor providing services to the Organization had operated not only as a United Nations vendor but also as an agent of other vendors and Governments. The contractor had recruited United Nations staff, which gave it the unique ability to negotiate and identify loopholes in contracts and develop a network of informants who supplied valuable information on requirements and competitors. From January 2000 to September 2005, this company was awarded purchase orders aggregating $169.5 million;

(e) In addition to the cases mentioned above, OIOS identified several other instances in which former staff members had been recruited by vendors and may have transacted business with the United Nations.

23. OIOS advised the Department of Management to investigate specific cases of irregularity and hold the concerned managers and staff accountable for lapses. *The Department of Management commented that it had initiated investigations and would consider accountability upon completion of the investigations.*

III. Financial management and budgeting

A. The budget process

Accountability and reporting lines

24. The responsibilities and accountability for the budget process are vague, both at the mission level and at Headquarters. Accountability at the mission level was unclear, in that the Head of Mission is considered accountable for the budget, but financial authority is delegated to the mission's Director of Administration. A major drawback in the budget process is the mismatch between the organizational structure and cost centres to which funds are allotted and whose managers were delegated certifying authority for implementing the budget. Furthermore, the Controller issues budget instructions to field missions through the Department of Peacekeeping

Operations, and missions submit their budgets initially to the Finance Management and Support Service where they are reviewed before being transmitted to the Peacekeeping Finance Division of the Office of Programme Planning, Budget and Accounts. That arrangement has created the perception that ownership for the budget rests with the Department of Peacekeeping Operations, whereas it should rest with the missions concerned. *The Department of Peacekeeping Operations commented that the Under-Secretary-General for Peacekeeping Operations, in his capacity as the overall programme manager, issues guidance in the form of resource templates and a results-based budget framework to all peacekeeping missions, whereas the Controller issues instructions relating to format and timelines. The Department of Management commented that detailed guidance in the form of an Administrative Instruction would be provided on the responsibilities and accountability of Heads of Mission for the budget process.*

25. The budget process is long, complicated and time-consuming. Consequently, deadlines given for preparing the budget were not always met. Changes in mission mandates, and the resulting changes in resource requirements, necessitate flexibility in the budget process. However, the process is the same for revised and off-cycle budgets, and employs the same time-consuming procedures. This process, coupled with the preparation of mission budgets one year in advance, posed significant challenges to missions in realistically estimating their operational needs in a highly changing environment and in developing the results-based budgeting framework. In the opinion of OIOS, the Department of Management should seek the approval of legislative bodies to develop a shorter budgeting model in such situations, to avoid repetition of the same lengthy process of preparing annual budgets. *The Department of Management commented that it would develop a succinct proposal in this regard for approval by legislative bodies.*

Duplication of efforts

26. OIOS found duplication of efforts by the Finance Management and Support Service and the Peacekeeping Finance Division in the review of missions' budget submissions and budget performance reports. In the opinion of OIOS, the budget process needs to be reorganized to remove such duplication and to increase efficiency. The role of the Department of Peacekeeping Operations in budgeting matters should focus on providing missions with technical advice and guidance on assessing their requirements, whereas budget and performance review should be the focus of the Office of Programme Planning, Budget and Accounts. *Although the Department of Management and the Department of Peacekeeping Operations commented that their roles in regard to the review of mission budgets were distinct from each other, both departments agreed to streamline the budget process for peacekeeping operations and eliminate any duplication.*

Improvements to the results-based budgeting framework

27. OIOS found that there had been improvements in the results-based budgeting framework since the concept was first introduced during the 2003/04 budget cycle. However, in the two missions reviewed, the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the United Nations Operation in Burundi (ONUB), OIOS found that results-based budgeting was carried out as a separate exercise from the actual budgeting for cost estimates. Whereas the results-based budgeting framework was prepared by substantive managers, cost estimation

was done, sometimes in isolation, by the mission administration. Also, the results-based budgeting framework was often treated as a substitute for strategic planning. In fact, there was no requirement that a mission strategic plan be prepared and approved prior to preparing the results-based budgeting framework and cost estimates. As such, the strategic guidance and assumptions issued by the Department of Peacekeeping Operations were generally used as the basis for developing the results-based budgeting framework.

28. OIOS also found that there was no clear link between the results-based budgeting and the budget performance reports, which were restricted to explaining variances between budgeted and actual expenditures. Variance analysis requires an explanation under each object code for all over-expenditures and under-utilizations of either 5 per cent of the amount or more than $100,000. However, such variance analysis did not provide feedback regarding efficiencies. For example, in the performance reports relating to ONUB and MONUC for the 2004/05 budget cycle, there was inadequate explanation about the estimated and actual consumption in terms of quantity. The mere mention of the variance in dollar value does not provide an indication of how efficiently and effectively the resources were put to use. *The Office of Programme Planning, Budget and Accounts commented that, during its review of performance reports, efficiency gains are identified wherever possible and submitted as supplementary information to the Advisory Committee on Administrative and Budgetary Questions.*

29. Furthermore, in performance reports, comparisons between apportionments and expenditures are reflected by object codes; however, funds are allocated to different cost centres under many classes, or common costs are pooled in one cost centre. Therefore, in such an exercise, individual performances of cost centres disappear and only the overall performance of the mission is evaluated. As a result, accountability at the cost centre level is lost, even though cost centre managers are key staff for executing the budget. *The Department of Management stated that performance monitoring at the level of individual cost centre is an internal management process of peacekeeping missions and the Department of Peacekeeping Operations and forms the basis for the overall performance reports. The Department commented that the Organization's financial systems did not support this type of analysis. However, efforts are being made to provide more cost accounting information in budget performance reports.*

Lack of effective automated tools for budgeting

30. The absence of an Enterprise Resource Planning system and an integrated financial management system and the lack of interface among existing systems made it difficult to effectively monitor budget implementation. This has resulted in the duplication of data entry, delays in accessing real-time information, and spending much time on budget preparation. Additionally, mission budgets are prepared and submitted in Excel files. OIOS found that the quality of such submissions varied within and across missions, resulting in additional work to transfer the data from various cost centres to the template file. In the absence of a tool that enables the automatic creation of links among several separate files/worksheets, much effort is required to reflect changes in the cost of related parameters and the risk of error increased. Furthermore, for internal monitoring of budget performance, missions were using status of expenditure reports, which are also prepared and updated manually in Excel. *The Department of Management*

acknowledged the limitations and non-integrated nature of the current information technology tools and agreed that a holistic approach was needed. The Department is evaluating the possibility of implementing the Enterprise Resource Planning system to address those limitations.

B. Financial management and accounting

Duplication of efforts

31. OIOS found duplication of tasks in the financial reporting process. Field missions submit monthly and annual financial statements to the Accounts Division at Headquarters with a copy to the Finance Management and Support Service. Both those entities review the financial statements for completeness, accuracy and compliance with established instructions and guidelines. There was no evidence of the value added by the Service's review of mission accounts. In the opinion of OIOS, the review of mission accounts should be done only by the Accounts Division. *Both the Department of Management and the Department of Peacekeeping Operations agreed that this function should be performed by the Accounts Division.*

Internal control weaknesses in field missions

32. OIOS identified a number of internal control weaknesses which were indicative of the less than adequate support from Headquarters. They included (a) the absence of mission-specific standard operating procedures to assist finance officers at mission headquarters and regional offices in performing their functions; (b) critical vacancies which remained unfilled and compromised control effectiveness; (c) inadequate mitigation of the risks associated with decentralized financial systems operating in regions where the banking system was weak; and (d) weak controls over direct purchases, where there was evidence of splitting purchases to avoid raising purchase orders. *The Department of Management agreed that more guidance needs to be provided to field missions and stated that several initiatives have been taken. Additionally, the Department of Management plans to provide more structured training to field staff, for which resources are being requested.*

C. Peacekeeping Reserve Fund

33. Financial regulation 4.6 restricts the individual approval limit for commitment authority to $50 million and the aggregate to the value of the Peacekeeping Reserve Fund. In the opinion of OIOS, the limit of $50 million may no longer be relevant in the context of large missions, some of which have annual budgets of close to $1 billion or more. Furthermore, the amount includes replenishment of strategic deployment stocks, thereby leaving very little flexibility to fund critical programmes while approval of the mission budget is pending. *The Department of Management agreed and stated that it would conduct a study and seek appropriate increase in pre-mandate commitment authority.*

IV. Human resources management

A. Accountability for recruitment of field staff

34. The Office of Human Resources Management is responsible for articulating overall policy orientation on human resources in the Secretariat. The Office establishes policies, procedures and practices for managing the human resources of the Secretariat and for developing conditions of service consistent with the provisions of the Charter and directives of the General Assembly. In its resolution 56/241, the General Assembly reaffirmed the role of the Office of Human Resources Management as set out in resolutions 53/221 and 55/258, in particular its decision that the Office should remain the central authority for the monitoring and approval of the recruitment and placement of staff.

Core functions and accountability

35. Assigning core functions to Secretariat departments and offices is intended to ensure that they sustain a competitive edge and remain accountable regardless of whether the authority for those functions is delegated to different locations or entities. The Secretary-General's reform programme seeks to empower programme managers, and this empowerment is embodied in the delegation of authority on core functions assigned to Secretariat departments and offices. However, in the view of OIOS, the delegation of authority to the Department of Peacekeeping Operations on human resources management relating to mission personnel has in effect resulted in the transfer of accountability, as the Office of Human Resources Management has virtually relinquished accountability for its core functions. *The Office of Human Resources Management disagreed with the view that it had relinquished accountability for its core functions but acknowledged that monitoring of delegated authority was inadequate due to lack of resources.*

36. OIOS remains convinced that the Office of Human Resources Management has been only marginally exercising accountability for its functions concerning field staff. As a result, the segregation of human resources responsibilities between the Office of Human Resources Management and the Department of Peacekeeping Operations as an important internal control element has been compromised. There are also gaps in the application of human resources management standards between the Secretariat and field missions. For example, the Office has instituted a human resources action plan with each of the Secretariat's departments and offices. However, the Department's action plan with the Office of Human Resources Management did not include the management of human resources in field missions. *The Office of Human Resources Management commented that it is working with the Department of Peacekeeping Operations to design a human resources action plan template for peacekeeping missions.*

Delegation of authority and monitoring by the Office of Human Resources Management

37. The Department of Peacekeeping Operations has exercised the delegated recruitment authority mostly from Headquarters with no delegation to field missions, except for partial delegation of recruitment authority to the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Transitional Administration in East Timor (UNTAET), which resulted in the

same inefficiency that was to be overcome by delegation of authority from the Office of Human Resources Management. Instead of enhancing overall performance by providing recruitment authority to those who are closest to the work (for example, field missions), the delegation of authority to the Department of Peacekeeping Operations created an intermediary between the Office of Human Resources Management and field missions. *The Department of Peacekeeping Operations commented that certain corporate responsibilities, such as recruitment of international staff, require a global perspective and need to be centrally managed. Delegating further recruitment authority to field missions is not deemed advisable at this stage.* This position contradicts the report of the Secretary-General on the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations of 1 June 2001 (see A/55/977, paras. 161 and 162), according to which a key facet of the global strategy for civilian staffing involves delegating additional recruitment authority to field missions.

38. OIOS found that the monitoring by the Office of Human Resources Management of delegated authority was weak and ineffective. This was due primarily to the allocation of only five posts for monitoring the delegation of authority, even though mission staffing tables comprised more than 17,000 posts. Owing to resource constraints, the Office of Human Resources Management conducted only a limited number of monitoring missions to the field. *The Office of Human Resources Management commented that it was working on improving the level and effectiveness of the resources dedicated to monitoring.*

39. In the opinion of OIOS, the delegation of authority given to the Department of Peacekeeping Operations has not proved to be an efficient arrangement for providing staff to field missions. This was also evident from the responses to an OIOS survey, in which missions indicated that they expected better support from the Personnel Management and Support Service and that the established recruitment process was not always followed in filling posts. OIOS is of the view that the Department of Management needs to conduct a comprehensive and objective review to assess the success of the delegation of authority to the Department of Peacekeeping Operations, taking into consideration (a) the original intent of the delegation; (b) the efficiency and effectiveness of implementation of the delegated authority by the Department of Peacekeeping Operations; (c) the effectiveness of monitoring of the delegated authority by the Office of Human Resources Management; and (d) the Secretary-General's vision of human resources reform in the Organization to improve the effectiveness of staffing support to field missions. *The Department of Management agreed to conduct such a review, which would focus on the root causes of the problems in implementing delegated authority and suggest solutions accordingly.*

Accountability and reporting lines of heads of mission

40. As heads of mission, the Special Representatives of the Secretary-General are responsible for managing complex mandates. However, their reporting lines to the Security Council, the Secretary-General and the Department of Peacekeeping Operations are not formally defined and enforced, although the Department has developed internal standard directives that describe the roles and reporting lines of the Special Representatives. In the opinion of OIOS, the roles and reporting lines need to be clarified and consolidated in a Secretary-General's bulletin. *The*

Department of Peacekeeping Operations commented that it plans to review and update the standard directives and the Secretary-General's note on guidance to heads of mission to reflect the reporting lines of the components of integrated missions.

B. Recruitment and placement

Vacancy rates

41. As shown in the table, field missions carried an overall vacancy rate of 23 per cent as at 31 May 2005. Vacancies in the Professional category and above were higher, at 32 per cent. While it is reasonable to expect higher vacancies during the start-up phase of new missions, such as the United Nations Mission in the Sudan (UNMIS), the United Nations Operation in Côte d'Ivoire (UNOCI) and the United Nations Mission in Liberia (UNMIL), vacancy rates of over 20 per cent in ongoing missions, such as MONUC, the United Nations Mission in Ethiopia and Eritrea (UNMEE), the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Truce Supervision Organization (UNTSO) at any level could be detrimental to the implementation of the missions' mandates or may indicate that some of the posts are not required. There was no mechanism, such as a human resources action plan, in individual missions to monitor vacancies and set targets for attaining the desired staffing levels. In the opinion of OIOS, such a mechanism is critical to control vacancy rates.

Field mission staffing as at 31 May 2005

Category	*Number of posts*			*Vacancy rate (percentage)*
	Authorized	*Encumbered*	*Vacant*	
Professional and above	2 486	1 699	787	32
Field Service/General Service	3 067	2 401	666	22
National staff	9 402	7 394	2 008	21
Total	**14 955**	**11 494**	**3 461**	**23**

Recruitment process

42. The recruitment function carries a high risk of abuse of authority. OIOS found that the recruitment process for field staff lacked transparency and did not provide assurance that the best candidates were selected. The Finance Management and Support Service and the Logistics Support Division routinely recommended candidates to the Personnel Management and Support Service for selection and appointment. Such candidates were often selected outside of the roster of screened candidates and without the issuance of vacancy announcements. In UNMIS, based on a sample review of 60 recruitment cases, OIOS found that in 34 cases (or 64 per cent), the candidates had been appointed without a vacancy announcement process; in 41 cases (or 69 per cent), there were no shortlists of qualified candidates prepared by the Personnel Management and Support Service, and in 40 cases (or 68 per cent), no comparative analysis of candidates had been documented. In the opinion of OIOS, to preserve the integrity of the recruitment process, the Service should stop

accepting candidates recommended outside of vacancy announcements and rosters. *The Department of Peacekeeping Operations commented that no field mission should be allowed to recommend the selection of candidates who had not been cleared by the Personnel Management and Support Service.*

Occupational rosters

43. To facilitate the evaluation of candidates, the Personnel Management and Support Service developed an online roster module within the Nucleus system and established rosters for over 20 occupational groups. From July 2004 to October 2005, 183,353 applications were received, of which 4,399 were placed on the rosters. Human resources officers in the Personnel Management and Support Service had the dual responsibility of administering the occupational rosters and providing shortlists of qualified candidates for selection and appointment, which compromised the principle of segregation of duties and gave rise to conflict of interest. In the opinion of OIOS, the Service needs to segregate those functions and establish a mechanism to oversee the process of placing candidates on rosters. *The Department of Peacekeeping Operations commented that this would be done in the context of the restructuring of the Personnel Management and Support Service.*

C. Cases with the appearance of abuse of authority

44. The review by OIOS of recruitment in one field mission identified four cases in which irregularities in the recruitment process indicated an appearance of abuse of authority. OIOS was particularly concerned about one case involving a national staff member who was appointed at the GL-5A level in August 2004 and was raised, at the request of a senior mission official, to the GL-5B level in February 2005. The staff member was recommended for special post allowance at the GL-6 level from March 2005 and, in May 2005, the senior official recommended her appointment at the GL-7 level, even though there had been no change in her functions. In August 2005, the senior official recommended that the staff member be temporarily assigned to another mission as an international staff member. *The Department of Peacekeeping Operations commented that it shares the concerns of OIOS regarding the procedures followed in this case and would work with the mission's Personnel Section to ensure compliance with the relevant procedures.* In the opinion of OIOS, there is still a need to conduct an inquiry to determine whether there was abuse of authority in this case.

D. Training

45. The Civilian Training Section of the Personnel Management and Support Service is responsible for the overall planning, coordination and management of civilian training and career development programmes in peacekeeping missions. The Section produced training and learning policy for civilian staff and issued a catalogue annually which listed about 70 courses on a wide range of competencies and skills. Of the $5.6 million budgeted in training funds for 2004/05, field missions expended approximately $2.8 million. The training budget for 2005/06 was significantly increased, to $10.3 million.

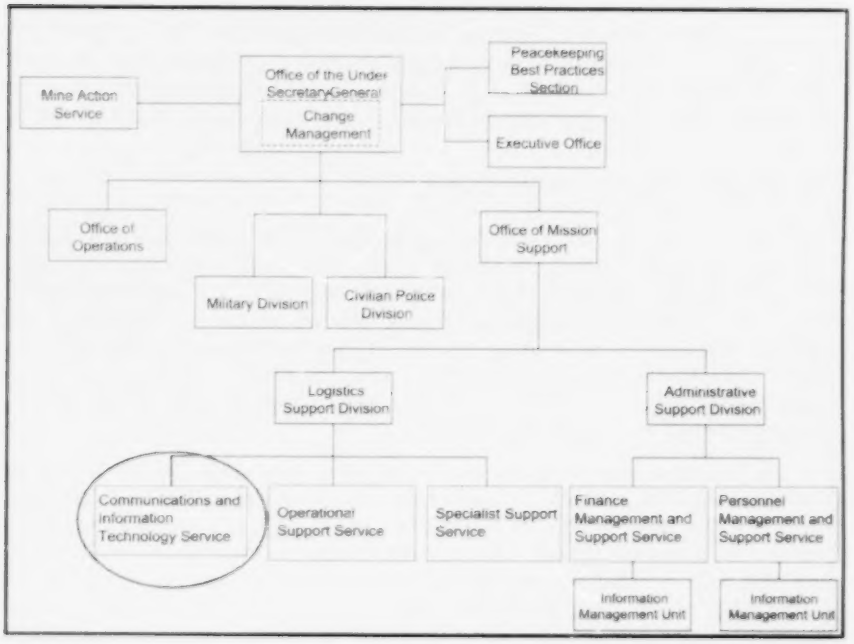
46. The Department of Peacekeeping Operations needs to identify separate training programmes for its core functions and for staff development. Since the Office of Human Resources Management is responsible for providing staff development training in the Secretariat, it is important that the Department of Peacekeeping Operations identify its staff development training courses in cooperation with the Office of Human Resources Management to avoid duplication in the use of resources. On the other hand, the Department needs to develop training courses around its core functions, such as disarmament, demobilization and rehabilitation; demining; civil affairs; logistical support; civilian police; and the rule of law. *The Department of Peacekeeping Operations and the Office of Human Resources Management agreed with this approach.*

V. Information and communication technology

A. Organization structure

47. The Communications and Information Technology Service of the Department of Peacekeeping Operations is responsible for providing the strategic leadership, policy direction and managerial oversight required for planning, implementing, operating and updating the information and communication technology (ICT) infrastructure. The figure shows where the Service is currently situated in the Department's organization.

Department of Peacekeeping Operations: organization chart



48. While the Department of Peacekeeping Operations expected the Communications and Information Technology Service to provide services and strategic technological leadership to the Department, the Service was placed as one of the three services under the Logistics Support Division, which lengthened communication channels between the Service and the rest of the Department, namely the Office of Operations, and the Military and Civilian Police Divisions. This structure inhibited the ability of the Service to effectively and efficiently meet the Department's strategic information needs.

49. According to the Secretary-General's report on the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations (see A/55/977, paras. 55 and 56), the Director of Change Management in the Department of Peacekeeping Operations, in addition to his responsibility for overseeing the entire overhaul and strengthening of the Department's management systems and practices, has also been designated as the information manager of the Department, with the responsibility to identify and prioritize the Department's information management needs. However, as shown in the figure, there is no direct reporting line between the Communications and Information Technology Service and the Director of Change Management. In the opinion of OIOS, the present position of the Service in the structure of the Department leads to the inefficient deployment of resources and impedes the unification of effort and efficient delivery of services. Moreover, OIOS views the present reporting structure of the Service as an impediment to effective advocacy of the ICT agenda at the highest level in the Department, which is necessary for carrying out its strategic mandate and ensuring optimum use of ICT across the Department. *The Department of Peacekeeping Operations commented that the placement and structure of the Communications and Information Technology Service require further analysis in order to determine the best fit within the Department and to improve the alignment of resources with responsibilities.* OIOS will revisit this matter as part of its review of the management structures of the Department, which was requested by the General Assembly in its resolution 59/296.

B. Information management strategy

50. The Department's draft information management strategy of July 2005 did not articulate the salient features of a strategy, such as the goals, objectives for attaining the goals, and the implementation plans and procedures for achieving the objectives. The draft information management strategy did not specify the measurable and specific objectives of the strategy and the implementation plan towards achieving them, which should have included the activities, responsible parties, outcomes and indicators of achievement. Those elements are essential to measure and monitor progress in implementing the strategy.

51. While the Communications and Information Technology Service awaits the finalization of the strategy, it is planning for ICT requirements and delivering services on the basis of the work plans of the Logistics Support Division and its own vision, which are both limited to the Division's logistics functions and goals and are not linked to or consider the strategic information management needs of the Department, which have yet to be finalized. Moreover, in the Administrative Support Division, which is also under the Office of Mission Support, the immediate operational information needs of the Personnel Management and Support Service

and the Finance Management and Support Service are served by their information management units. As a result, systems implemented by those units address only the needs of the Services, without giving adequate consideration to their potential impact on other existing systems within the Department or the Organization. It is therefore necessary for the Department to finalize its information management strategy so that ICT-related initiatives by the Communications and Information Technology Service and other users within the Department are properly integrated. *The Department of Peacekeeping Operations commented that it expects to finalize its information management strategy by June 2006.*

C. Systems integration

52. Owing to the lack of an information management strategy, addressing the immediate operational information requirements of the Department's various services and divisions drives the initiatives of the Communications and Information Technology Service and the information management units. This scenario, in turn, leads to the development and implementation of information systems that do not adequately consider their potential impact to and interrelationship with other existing systems within the Department or the Organization. For example, systems such as Mercury, SUN, the Field Personnel Management System, Galileo and the Integrated Management Information System (IMIS), which have certain common inputs and outputs, are not linked by either application interfaces or a common database. Data from one system needs to be manually recorded in the other systems. Consequently, data warehouses and reporting utilities, such as the Funds Monitoring Tool and Nucleus, have become necessary for data extraction, compilation and reconciliation. Annex I to the present report depicts the key application systems being used by the Department of Peacekeeping Operations.

53. To comply with the Secretariat's administrative instruction of 8 August 2005 on information and communications technology initiatives (ST/AI/2005/10), which seeks to ensure coherent and coordinated global usage of information and communication technology across departments and duty stations, the review of such initiatives through the use of the high-level business case was put in place. However, the OIOS review indicated that this mechanism was not functioning as intended. Several high-level business cases at various stages of the ICT initiatives review process were not presented in a coherent and coordinated manner but were focused on the users' immediate operational needs. The high-level business cases were being processed even as discussions were taking place on the future of IMIS. In the opinion of OIOS, all new information systems initiatives need to be carefully analysed for interoperability and interconnectivity not only with existing systems but also with future systems that may be implemented based on the information management strategy of the Department of Peacekeeping Operations and the Secretariat's decision on IMIS. *The Department commented that, while it is cognizant of the need to align information systems initiatives with its information management requirements, it wishes to retain the option of continuing with ongoing initiatives wherever justified.*

D. Security policies, procedures and standards

54. The ICT security, business continuity and emergency preparedness policy promulgated by the Information Technology Services Division of the Department of Management with effect from 1 January 2005 assigns responsibility for detailed security standards and procedures to business-oriented units, but they have not yet been developed by the Department of Peacekeeping Operations. For example, standards and procedures for the following information security aspects have not been put in place:

(a) Although initial access control procedures exist for field systems such as SUN, there are no procedures for monitoring and rapidly responding to changes resulting from leave of absence, separation from service, transfer and the like, which increases the probability of persons retaining inappropriate access rights to critical systems;

(b) The Department does not have a procedure for authenticating ICT users, such as standard password length and expiration. Each ICT application implements access control independently and in a different way, which leads to inefficient duplication and uncorroborated authentication of ICT users;

(c) Access rights to sensitive or powerful system roles, such as that of the Lotus Notes administrator, have been granted to an inconsistent number of staff of the Communications and Information Technology Service from mission to mission, ranging from 3 to 11. Access rights to this role should be limited to the official Notes administrator and his or her backup;

(d) Physical and environmental security for the data centres at the United Nations Logistics Base in Brindisi, Italy (UNLB), UNMIK and UNMIL were inconsistently controlled. Access to the UNMIK data centre is more controlled than in UNLB or UNMIL, with electronic access control to the data centre and security camera. At the time of the audit, the Communications and Information Technology Service in UNLB was preparing to move its data centre to a new building with provisions for adequate physical and environmental security;

(e) Existing firewall rules were not set to adequately limit access from outside addresses to the global network of the Department of Peacekeeping Operations.

55. There is no function within the Communications and Information Technology Service dedicated to the formulation of security, continuous monitoring for compliance therewith and management of the ICT security set-up, thus exposing the Department to a high risk of disruption of day-to-day business, loss of financial and information assets, and possible damage to the reputation of the Department or the Organization. *The Department of Peacekeeping Operations commented that it has requested additional resources to establish a comprehensive policy, and to manage and monitor information security.*

E. Telephone billing

56. Telephone billing is prone to the risks of fraud and abuse. For example, an OIOS audit in 2004 of the telephone billing system in UNMEE found that, for lack of effective controls, the telephone system was systematically abused, which cost

the Mission approximately $1 million. The current review by OIOS found that telephone billing and accounting procedures were not uniform across all missions. Each mission has its own set of procedures. For example, UNMIK had documented procedures, while UNMIL had none. UNLB used a prefix to tag official and private calls, whereas UNMIK and UNMIL did not. Moreover, there were no control procedures to (a) ensure that the telephone exchange was properly configured to log all calls; (b) check unauthorized changes to the exchange configuration/set-up; (c) cross-check the exchange logs against the billing records; and (d) ensure that billing rates were accurately entered into the billing system. OIOS believes that the Department of Peacekeeping Operations needs to develop standard operating procedures for telephone billing and accounting to ensure adequate control and consistency in practices across missions. *The Department commented that a standard set of procedures would be developed and implemented in all missions by March 2006.*

F. Asset management

57. In its resolution 59/296, the General Assembly decided to defer consideration of new provisions for desktops, laptops and printers at Headquarters and in the field with the exception of new missions and those missions undergoing expansion according to Security Council mandates as well as for replacement purposes, pending the report of OIOS on the comprehensive management audit of the Department of Peacekeeping Operations. The results of the OIOS review of the cost of the ICT equipment are contained in a separate report to the General Assembly on the audit of the standard costs applied to Headquarters overhead (A/60/682), which was undertaken in accordance with the request of the General Assembly in its resolution 59/301.

58. The OIOS analysis, as of October 2005, of ICT inventory in 15 missions, UNLB and the Department of Peacekeeping Operations at Headquarters showed that 55 per cent of desktop computers, 31 per cent of laptop computers and 50 per cent of printers were less than 10 months old, while 15 per cent, 16 per cent and 19 per cent, respectively, were more than four years old. Of the total number of items in actual use, only 15 per cent of desktops, 16 per cent of laptops and 10 per cent of printers were less than 10 months old. The percentages of desktops, laptops and printers in stock, that is, not having been issued, in UNMIS, UNMIL, UNOCI and the United Nations Stabilization Mission in Haiti (MINUSTAH) were too high, ranging from 20 per cent to over 40 per cent.

59. By its nature, ICT equipment is subject to a high obsolescence rate. The longer such items are kept in storage, the lower their value to the Organization. The Communications and Information Technology Service attributed the high percentage of stocks to the growth in peacekeeping missions and the annual 25 per cent replacement programme representing the 4-year expected useful life of IT equipment. In the opinion of OIOS, however, stocks received should be moved quickly to the end-user for productive use and to replace obsolete equipment.

VI. Mission planning

A. Lack of policy guidance for the integrated mission planning process

60. There was a general lack of strategic guidance, policy and standard operating procedures on support of the integrated mission planning process. Strategic guidance is necessary to formalize the involvement of major stakeholders, including United Nations development and humanitarian agencies, regional organizations and contributing countries, early in the planning process. The excessively broad terms of reference, and the lack of commitment on the part of the leadership of the Department of Peacekeeping Operations to implement change in certain key areas, such as restructuring and an integrated approach with key peacekeeping partners, undermined the implementation of change in the Department. OIOS also noted a lack of sufficient guidance for human resource planning for complex and large missions. The staffing requirements for UNMIS had lagged behind since they had not been built into mission planning from the start. The absence of strategic guidance reflects not only a problem within Headquarters but also deficiencies in strategic and operational planning at the mission level. For example, in UNMIS, seven months after mission start-up, there was still no approved plan corresponding to the level 5 strategy of the integrated mission planning process. *The Department of Peacekeeping Operations commented that seven months after issue of a mandate is too early for a mission to have a fully fledged mission implementation plan. In the case of UNMIS, owing to the slow deployment of troops by Member States, less than half the mission had deployed after seven months.* In the opinion of OIOS, either the office of the Director of Change Management or a dedicated planning cell is best placed to take the lead in developing and disseminating relevant guidance and providing oversight of the mission planning process.

61. OIOS took note of the efforts of the Department of Peacekeeping Operations to develop a handbook detailing the integrated mission planning process and its methodology. However, there was minimal consultation on the development of the process. Some respondents to an OIOS survey felt that the actual practitioners of mission planning should be involved in the development of the process, rather than external consultants who knew little about mission planning.

B. Lack of dedicated mission planning cells

62. Mission planning at the departmental and mission levels was done in working groups on a part-time and ad hoc basis. There were no positions for mission planning in the organizational structure at either level to take full responsibility for leading, coordinating, monitoring and reporting on the planning process.

63. Interviews with key staff of the Department of Peacekeeping Operations who were involved in planning for UNMIS indicated the lack of a dedicated planning cell as one of the main constraints to effectiveness and efficiency in the planning process. This was the case at the mission level, where planning was also done on a part-time and ad hoc basis with no dedicated cell. UNMIS recognized the need for a planning position and budgeted for it, but the post was not approved.

64. The main risks from the lack of dedicated planning cells include (a) difficulties in the preparation, review, coordination and monitoring of plans; (b) lack of authority, responsibility and accountability of planners; (c) ambiguity of plan ownership; (d) lack of prudent use and accountability of resources; and (e) loss of institutional memory. There is also the risk that planning exercises would be performed by unqualified and inexperienced staff, thereby compromising the quality of the plans.

C. Early identification and involvement of senior mission leadership in the planning process

65. Early appointment of senior leadership for new missions is crucial for effective mission planning. The lack of involvement of senior leadership during the initial phase of the planning process increases the risk of a mismatch between operational planning considerations during the initial phase of mission planning and the expectations of senior management who are appointed after completion of the initial mission planning phase.

66. In the case of UNMIS, some of the officials who participated in the initial mission planning process were temporarily assigned to the field mission to continue planning activities. In particular, the chairman of the integrated task force established for UNMIS was appointed as a member of the senior management team in the mission. The Department of Peacekeeping Operations should consider formalizing such involvement of key members of the planning group both at Headquarters and in the field for smooth transition. However, discretion is required in assigning key administrative personnel, such as those with fiduciary responsibilities, as there is a possibility that planning assumptions may not be sufficiently validated if the same personnel from the mission assessment team are also responsible for implementing the plans. *The Department of Peacekeeping Operations agreed that early identification of senior mission leadership is essential.*

D. Integration of results-based budgeting with the mission planning process

67. The mission planning process takes place independently of the results-based budgeting process. The integrated mission planning process and the results-based budgeting process are not integrated. For UNMIS, the two planning approaches were done independently because the integrated mission planning process was still being developed and did not have detailed implementation guidelines that integrated with the results-based budgeting process, which had already been implemented in the Organization. The lack of integration could result in an inconsistent approach to managing the risks involved in mission planning, as the two planning approaches could operate on different assumptions. Furthermore, there is a risk of inefficient and ineffective use of resources, as critical activities may not be budgeted for, and resources could be used for non-critical activities.

68. The interviews OIOS conducted with some of the key staff involved in the planning of UNMIS indicated that the results-based budgeting format of defining expected achievements, outputs and performance indicators should be integrated into the mission planning process. At UNMIS, OIOS was advised that the

effectiveness of the mission planning process had been adversely affected by a disjointed planning and budget approval process. For example, the 2005/06 budget for UNMIS was still pending approval at the time of the OIOS audit in October 2005. In addition, the Mission had not received the recommendations of the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee, which had to be considered in preparing the UNMIS budget for 2006/07. In the opinion of OIOS, results-based budgeting requirements need to be integrated upfront with the mission planning process. *The Department of Peacekeeping Operations commented that the Under-Secretary-General's planning directive, which will act as the authority for mission planning, will align the results-based budgeting process, the pre-mandate commitment authority and the operational plan.*

VII. Substantive operations

A. Electoral assistance

Coordination between departments and agencies

69. Electoral assistance is a system-wide endeavour involving several departments and agencies within the United Nations system. The Electoral Assistance Division of the Department of Political Affairs, which is responsible for coordinating electoral assistance activities with various departments and agencies, has not yet established formal memorandums of understanding with its major partners, including the Department of Peacekeeping Operations, although electoral assistance projects were ongoing in seven countries in which there was a substantial peacekeeping presence. OIOS learned that some efforts had been made in the past to sign a memorandum of understanding between the Departments of Political Affairs and Peacekeeping Operations, but there has been little progress.

70. Security conditions in a conflict-ridden society further complicate the already complex nature of electoral assistance projects in peacekeeping missions. Such conditions make it particularly necessary to ensure that applicable security standards are enforced, and that electoral staff are provided with adequate security not only during the elections but also during the preparatory stages. The Department of Political Affairs, the Department of Safety and Security and the Department of Peacekeeping Operations did not have a working-level procedure for the provision of minimum security to electoral staff in peacekeeping missions. There is a risk that the resources required for security may not be adequately built into the mission budgets and the prescribed security standards not complied with. *The Department of Peacekeeping Operations commented that it regards the provision of security for electoral staff as coming under the umbrella of normal measures for ensuring the security of all mission staff and contracted personnel.*

B. Disarmament, demobilization and reintegration

Global framework of cooperation between the Department of Peacekeeping Operations and other departments and agencies

71. A total of 14 departments and agencies are involved, directly or indirectly, in the work relating to disarmament, demobilization and reintegration of ex-combatants. In practice, those departments and agencies have different perspectives even though they agree on the ultimate objective of the programme. Realizing the need for a more concerted and integrated effort, the Department of Peacekeeping Operations constituted an inter-agency working group on disarmament, demobilization and reintegration to bring together all 14 departments and agencies. There is now a consensus on basic concepts, objectives, strategies and approaches. The working group is of the view that because of specific conditions in each country, the terms of reference for cooperation should be drafted as country-specific documents involving those agencies which have a presence in a specific country or an interest in disarmament, demobilization and reintegration. However, to date no such terms of reference or memorandum of understanding has been signed, although a draft prepared for Haiti and the Sudan was expected to be signed shortly. The process of preparing a global framework of cooperation on implementing disarmament, demobilization and reintegration needs to be expedited to strengthen coordination and improve programme effectiveness. *The Department of Peacekeeping Operations commented that, since it was premature to establish a global memorandum of understanding at Headquarters on disarmament, demobilization and reintegration activities, it was taking the approach of establishing mission-specific memorandums of understanding first, which would eventually fit into a global memorandum of understanding among partners of the Department in disarmament, demobilization and reintegration.*

72. Furthermore, within the Department of Peacekeeping Operations, there is a need to strengthen coordination between the Peacekeeping Best Practices Section and the Office of Operations and to establish a mechanism for monitoring the implementation of disarmament, demobilization and reintegration activities in missions. The Department currently has limited capacity. *The Department of Peacekeeping Operations commented that mission support functions on disarmament, demobilization and reintegration including policy, operational and technical matters, should be assigned to the Peacekeeping Best Practices Section, for which commensurate resources should be provided.*

C. Demining operations

Compliance with the International Mine Action Standards

73. The Mine Action Service uses commercial companies and military contingents provided by Member States to carry out demining operations. OIOS found that there were no formal arrangements with troop contributors to ensure that demining contingents complied with the International Mine Action Standards. In the opinion of OIOS, formal arrangements for compliance with international standards are necessary to provide quality assurance and to ensure that demining operations are conducted by various contingents on the basis of common standards. *The Department of Peacekeeping Operations commented that the need for compliance*

with international standards should be included in the memorandums of understanding with troop-contributing countries and that standard operating procedures for mine action activities conducted by contingents should be reviewed as part of predeployment inspections.

Monitoring the implementation of mine action plans

74. The existing arrangements for implementing the mine action programme do not promote accountability. In the opinion of OIOS, the effectiveness of demining operations could be improved if the programme manager were recruited by and accountable to the Mine Action Service. The programme manager would then be required to report on programme performance to Service, whereas currently, the programme manager reports as an employee of the United Nations Office for Project Services. *The Department of Peacekeeping Operations commented that a review needs to be conducted into the present manner in which programme managers are managed. The solution to the issue may lie in more effective technical assessment missions throughout the year, and this matter will be considered during a review of the system in 2006.*

75. There has been no systematic independent evaluation of demining activities in field missions. For example, the mine action programme in the Sudan has not been independently evaluated since its inception in September 2002. As a result, it is not known whether the planning assumptions, implementation strategies and outputs met the expected standards of economy, efficiency and effectiveness. The Mine Action Service needs to undertake such an evaluation. *The Department of Peacekeeping Operations commented that the Mine Action Service has a project proposal for independent evaluation of the mine action programme in the Sudan, which will be conducted when a donor is found to provide necessary funds.*

D. Human rights, the rule of law and protection of civilians

Governance and accountability mechanism

76. Although the Department of Peacekeeping Operations has tried to expand its capacity at Headquarters to respond to the surge in peacekeeping operations, the expansion has not kept pace with changes in the field. For example, there is no monitoring or oversight capacity within the Department relating to the rule of law, human rights, protection of civilians, and civil affairs, even though several missions perform those operations under their respective mandates. Consequently, the accountability and governance structure in those areas has been weak, and substantive guidance from Headquarters has generally been inadequate. For example, there was no evidence that the Department had reviewed the operational plans prepared by missions to ensure that they were appropriate in the context of available resources and prevailing circumstances in the missions. In the opinion of OIOS, the Department needs to address this deficiency and establish the capacity necessary to strengthen governance and accountability over those programmes. *The Department of Peacekeeping Operations commented that it has significant capacity in the area of police reform, and that the recruitment for three new posts will enhance its capacity in the areas of judicial and legal systems and prisons/corrections. The Department will consider approaches for further strengthening of its capacity, on an ongoing basis.*

Coordination of the functions relating to human rights, protection of civilians and the rule of law

77. To assess the effectiveness of coordination among the functions relating to human rights, protection of civilians and the rule of law, OIOS reviewed those operations in UNMIS and found that the Mission had four offices dealing with closely similar functions, with some overlaps. The draft unified mission plan of July 2005 outlined the roles of the human rights, rule of law, civilian police and civilian protection sections of UNMIS and indicated, for example, that the human rights and rule of law components perform some functions by working closely with other sections and in cooperation with other components of the Mission. However, the terms of reference for such cooperation, and the roles and responsibilities of each entity, including other United Nations agencies operating in the Sudan, had not yet been defined. In the opinion of OIOS, there is a strong need to develop a coordination mechanism to improve programme effectiveness and eliminate any redundancies. *The Department of Peacekeeping Operations commented that, where helpful, mechanisms were being developed to enhance collaboration and joint efforts across mission components.*

VIII. Best practices

A. Activity planning

78. Although the Peacekeeping Best Practices Section had planned to categorize and disseminate best practices based on lessons learned, that goal had not been fully met. While planning for best practice activities had been undertaken during the first phase of the knowledge management toolbox project in which basic structures were built into the Section, other activities were being conducted simultaneously, such as the coordination of policy development in the various focal areas, and the work of the Department in knowledge management and change management. In the opinion of OIOS, more effort is required to identify actual best practices and practices emerging from both positive and negative lessons learned in order to help field staff who had expressed the desire and need for dissemination of best practices in the field missions.

B. Risks and exposure to duplication

79. There was overlap between the Peacekeeping Best Practices Section and the office of the Director of Change Management, particularly in the area of knowledge management. Owing to limited personnel resources in the office of the Director of Change Management, change management work was performed by the Peacekeeping Best Practices Section, which had more staff. At the time of the audit, the Department was contemplating the linkage of the office of the Director of Change Management and the Peacekeeping Best Practices Section, which would address the need to fully develop the responsibilities of the office of the Director of Change Management and its interrelationship with the Peacekeeping Best Practices Section. *The Department of Peacekeeping Operations commented that if its ongoing review of change management determines that the function is appropriate, its terms of reference would be revised and an updated work plan developed.*

IX. Summary of recommendations

80. OIOS issued a total of 158 recommendations (including 105 considered as critical) in the seven audit reports (see annex II) issued on each of the seven operational areas reviewed. The following is a summary of some of the critical recommendations relating to the major findings discussed in the present report.

A. Procurement

81. The Secretary-General should remind staff of their obligations under the Charter of the United Nations to uphold the highest standards of efficiency, competence and integrity.

82. The Secretary-General should hold senior management and staff in the Department of Peacekeeping Operations and the Department of Management accountable for lapses in internal controls and failure to establish a high level of ethical integrity, which have resulted in significant financial losses.

83. The Department of Peacekeeping Operations and the Department of Management should jointly review the appointments of chief/director of administration and section chief with fiduciary responsibility, to ensure that those staff members have the requisite qualifications and experience.

84. The Department of Management, in conjunction with the Department of Peacekeeping Operations, should address managerial responsibility for the specific instances of waste of resources, poor planning, inflated requirements and losses identified by OIOS.

85. *The Secretary-General commented that the programme of reforms introduced in 2005 includes five main categories: ensuring ethical conduct, strengthening oversight and accountability, updating the Organization, improving senior management performance, and increasing transparency. In 2005, the Secretary-General launched an effort to improve the breadth and quality of ethics training, including an initiative to raise awareness of the standards of conduct for the international civil service that were agreed to by the General Assembly in 2001 (see ST/SGB/2002/13, annex, section V). Ethics-related modules have been incorporated into a number of training programmes, including those targeted at senior managers. The Department of Management, jointly with the newly established Ethics Office approved by the General Assembly in December 2005, will be organizing a "day of ethics" training and awareness in May 2006.*

86. *The Secretary-General also stated that as part of the reform programme, the Management Performance Board had been created in 2005 under the chairmanship of the Deputy Secretary-General. The Board has recommended a new set of managerial indicators by which to measure the performance of heads of office and department. In reviewing the performance of senior management in the Department of Management and the Department of Peacekeeping Operations, the Board would take into account audit reports, which will be one of the inputs for their assessment. Furthermore, to ensure that audit recommendations are fully addressed, an Oversight Committee has been established.*

87. *With regard to the appointment of senior mission officials with fiduciary responsibilities, the Department of Peacekeeping Operations stated that efforts are*

already under way to comply with the expanded requirements on the designation of staff performing significant functions (ST/SGB/2005/7). The Department of Management commented that it would review the current clearance process and collaborate with the Department of Peacekeeping Operations for further improvement to ensure that staff are qualified and cleared prior to the assumption of their duties. The Department of Peacekeeping Operations did not entirely accept all the recommendations involving mismanagement and losses to the Organization, although actions had been initiated in some instances. The Department of Management commented that it had initiated investigations and would consider accountability issues upon the completion of the investigations.

B. Financial management and budgeting

88. The Department of Management and the Department of Peacekeeping Operations should reorganize the budget process for peacekeeping operations with particular attention to eliminating the duplication of tasks between the Finance Management and Support Service and the Office of Programme Planning, Budget and Accounts. Steps should also be taken to reassess the resource requirements from the Support Account as a result of eliminating the duplication in the budget review process.

89. The Department of Peacekeeping Operations should revise the Secretary-General's bulletin on the functions and organization of the Department (ST/SGB/2000/9) to establish clear lines of authority, responsibility and accountability for the peacekeeping budget process.

90. The Department of Management should seek the approval of legislative bodies to develop a shorter budgeting model in situations where there are changes in mission mandates or when operational requirements necessitate substantial revision of the budget, so that repetition of the entire budget process is avoided.

91. The Department of Peacekeeping Operations, in addition to the strategic policy guidance it provides, should develop a template for strategic mission planning and ensure that missions prepare a strategic plan prior to preparing the budget, which should form the basis for the results-based budgeting framework.

92. The Department of Management, in coordination with the Department of Peacekeeping Operations, should study the feasibility of implementing an enterprise resource planning application which would include a budgeting module.

93. The Departments of Management and of Peacekeeping Operations should revise the procedures for reviewing the monthly and annual financial statements of the missions in order to eliminate duplication of tasks. The resource requirements resulting from such elimination of duplication should also be reassessed.

94. *The Department of Management and the Department of Peacekeeping Operations generally accepted these recommendations. Although the two Departments expressed reservations on the recommendation concerning duplication in the budget process, both departments agreed to find ways to streamline the process and eliminate any duplication. The Department of Peacekeeping Operations agreed to revise ST/SGB/2000/9 to establish clear lines of authority and accountability for the budget process. The Department of Management stated that it would develop a succinct proposal on a shorter budgeting model for approval by*

legislative bodies and that it was evaluating the possibility of implementing an Enterprise Resource Planning system to address the inherent risk of the current system. Regarding strategic mission planning, the Department of Peacekeeping Operations commented that the integrated mission planning process would address the recommendation. The Department of Management agreed to eliminate the duplication in the review of the missions' monthly and annual financial statements by ensuring that this task would be performed by the Accounts Division.

C. Human resources management

95. The Department of Management should conduct an objective assessment of the success of the delegation of authority of human resources management to the Department of Peacekeeping Operations, taking into consideration the original intent of the delegation, the efficiency and effectiveness of implementation of the delegated authority, the effectiveness of monitoring the delegated authority, and the impact of the Secretary-General's vision of human resources reform in the Organization.

96. The Office of Human Resources Management should establish a human resources action plan with each field mission to better manage the missions' human resources.

97. The Department of Peacekeeping Operations should complete its succession planning strategy to fill vacancies in a timely manner and ensure that the appointment of field staff adheres to the principles in Article 101 of the Charter.

98. The Department of Peacekeeping Operations should reassign the roster management responsibilities to a team independent of recruitment and placement functions.

99. The Department of Peacekeeping Operations should develop separate training programmes for its core functions and for staff development, taking into account available expertise within the Organization.

100. *The Department of Peacekeeping Operations and the Office of Human Resources Management generally accepted these recommendations. Regarding the review of delegation of authority, whereas the Department of Peacekeeping Operations stated that it would agree to the Department of Management conducting such a review to assist it with improving the level of service to field missions, the Office of Human Resources Management stated that the review should focus on the root causes of the problem and suggest solutions accordingly. The Office of Human Resources Management agreed to establish a human resources action plan with each mission and stated that preparations had already started for some missions. The Department of Peacekeeping Operations agreed to segregate the roster and recruitment functions as part of the restructuring of the Personnel Management and Support Service. The Department also agreed to develop, using internal expertise, separate training programmes for its core functions and for staff development.*

D. Information and communication technology

101. The Department of Peacekeeping Operations should finalize its information management strategy and ensure that all the essential and measurable elements of a

strategy are included in the final document before proceeding with any information systems initiatives.

102. The Department of Management should defer the two high-level business cases that have an impact on the systems and processes of the Department of Peacekeeping Operations pending the formulation of an integrated solution that would meet both departments' needs, also considering the strategic direction the Secretariat will take regarding the future of IMIS.

103. The Department of Peacekeeping Operations should establish a function dedicated to the development and enforcement of ICT security standards and procedures and the monitoring of compliance therewith by all users in the Department and personnel of the Communications and Information Technology Service at Headquarters, UNLB and missions.

104. The Department of Peacekeeping Operations should develop a standard set of telephone billing and accounting procedures for implementation across all peacekeeping missions which provides for adequate control procedures over the telephone exchange and billing administration.

105. The Department of Peacekeeping Operations should formulate and enforce a policy on the minimum and maximum stock levels for desktops, laptops and printers that the communication and information technology section of each mission should keep in stock and a reasonable turn-around time for putting new stocks into productive use.

106. *The Department of Peacekeeping Operations generally accepted these recommendations and commented that its information management strategy is expected to be completed by June 2006. The Department of Management acknowledged the need to integrate high-level business cases with the strategic direction of the overall ICT environment in the Secretariat. The Department of Peacekeeping Operations stated that a standard set of telephone billing and accounting procedures would be developed by March 2006 for implementation in all missions. However, the Department will request additional resources from the support account budget for 2007/08 for the assessment, enforcement, oversight and validation of ICT security standards and the policy on the minimum and maximum stock levels for desktops, laptops and printers for each mission.*

E. Mission planning

107. The Department of Peacekeeping Operations should expedite the development of strategic guidance, policies and standard operating procedures for the system-wide implementation of the integrated mission planning process.

108. The Department of Peacekeeping Operations should establish a dedicated planning cell with skilled staff at Headquarters to lead, coordinate and monitor the mission planning process.

109. The Department of Peacekeeping Operations should appoint senior leaders of a new mission early to ensure their involvement at the initial stage of the planning process.

110. The Department of Peacekeeping Operations should integrate the results-based budgeting requirements upfront into the mission planning process.

111. *The Department of Peacekeeping Operations accepted these recommendations and commented that, for the development of strategic guidance, endorsement of the recommendations made to the policy committee by the integrated mission planning process review team would be required first, particularly as the process encompasses the wider United Nations system. The establishment of a strategic planning cell would provide the link between work conducted prior to the Department's assuming responsibility for planning, and would serve as the point of contact with other departments, agencies, funds and programmes. The Department also agreed that early identification of senior mission leadership is essential. With regard to integrating the results-based budgeting requirements into the mission planning process, the Department commented that the Under-Secretary-General's planning directive, which would be the authority for planning, would align with the results-based budgeting process, the pre-mandate commitment authority and the operational plan.*

F. Substantive operations

112. The Department of Peacekeeping Operations should develop a framework for cooperation and the clear division of labour with relevant United Nations departments and agencies on substantive programmes, such as electoral assistance and disarmament, demobilization and reintegration, and provide security to electoral staff in peacekeeping missions in compliance with the applicable security standards. A similar framework should be instituted in UNMIS to ensure that the roles of various sections and units within the Mission relating to the rule of law, human rights, protection of civilians and civil affairs are clearly defined and that functions are not duplicated.

113. The Department of Peacekeeping Operations should institutionalize compliance by troop-contributing countries with the International Mine Action Standards.

114. The Department of Peacekeeping Operations should develop an adequate institutional capacity at Headquarters for policy advice and the monitoring and evaluation of human rights, the rule of law, civil affairs and protection of civilians in peacekeeping missions with a view to strengthening its governance and accountability mechanism. Also, the Department should strengthen the coordination between the Peacekeeping Best Practices Section and the Office of Operations for monitoring the implementation of disarmament, demobilization and reintegration programme plans in all peacekeeping missions.

115. *The Department of Peacekeeping Operations generally accepted these recommendations and commented that, since it was premature to establish a global memorandum of understanding at Headquarters on disarmament, demobilization and reintegration activities, the Department would take the approach of establishing mission-specific memorandums of understanding first, which would eventually fit into a global memorandum of understanding among partners of the Department in disarmament, demobilization and reintegration. To avoid duplication, UNMIS work plans will clearly identify the roles and responsibilities of mission components. The requirement to comply with the International Mine Action Standards will be included in the memorandum of understanding with troop-contributing countries, and operating procedures will be reviewed as part of predeployment inspections.*

There is significant capacity at Headquarters in the area of police reform, and the Department of Peacekeeping Operations will consider approaches for further strengthening its capacity on an ongoing basis. With regard to coordination at Headquarters on the implementation of disarmament, demobilization and reintegration plans, the Peacekeeping Best Practices Section should be assigned the responsibility for monitoring such programmes, with commensurate resources to provide full-time support to field missions.

C. Best practices

116. The Department of Peacekeeping Operations should ensure that the Peacekeeping Best Practices Section focuses its activities on its core functions, which are the collection, categorization and dissemination of peacekeeping best practices.

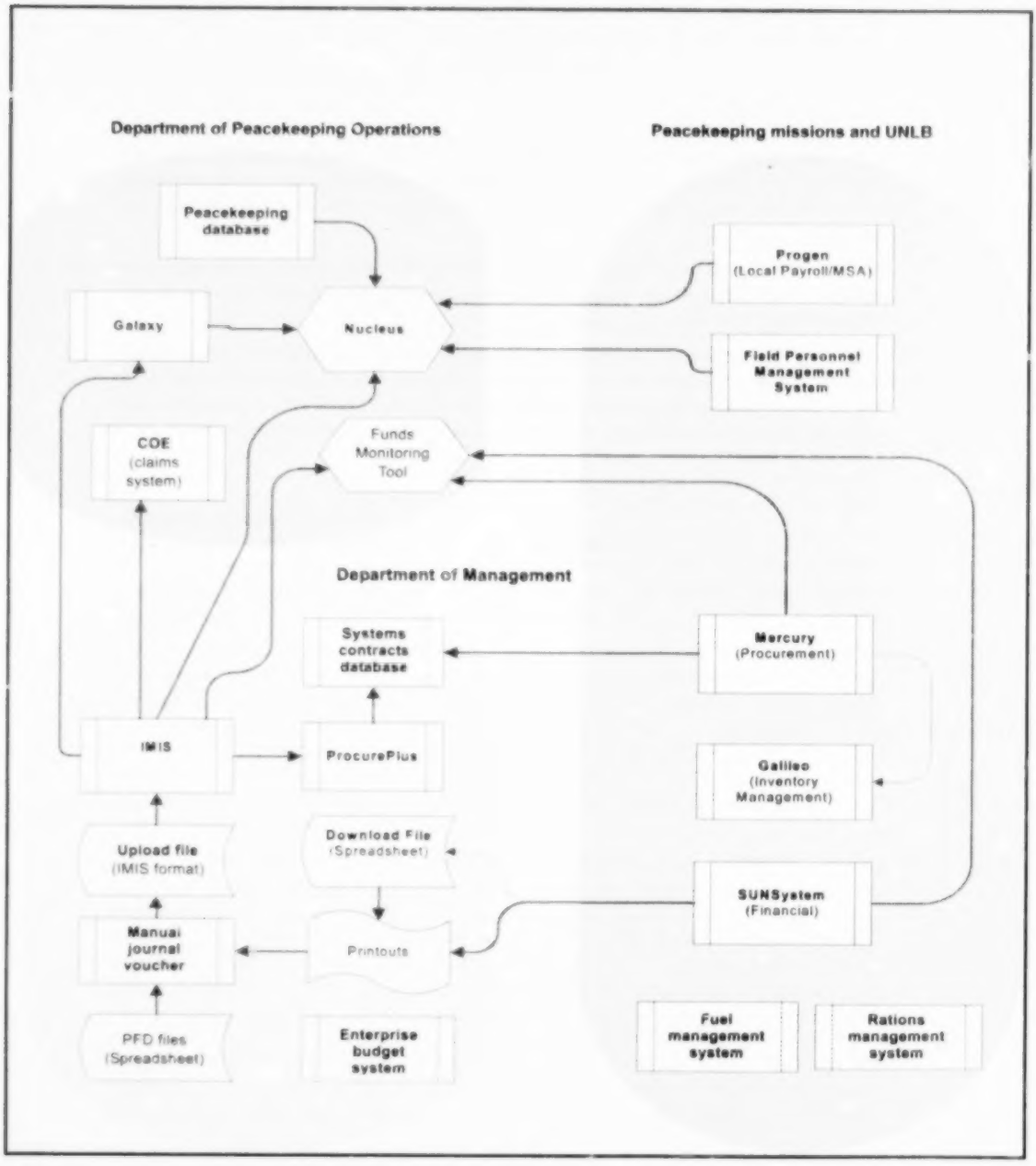
117. The Department of Peacekeeping Operations should review the responsibilities of the Director of Change Management to address the overlap that exists with the Peacekeeping Best Practices Section.

118. *The Department of Peacekeeping Operations accepted these recommendations and commented that their implementation was ongoing. The Department is currently reviewing the change management function and, if it is determined that the function remains appropriate, its terms of reference will be reviewed and an updated work plan developed.*

(*Signed*) Inga-Britt **Ahlenius**
Under-Secretary-General for Internal Oversight Services

Annex I

Principal applications used by the Department of Peacekeeping Operations



Annex II

OIOS audit reports and recommendations issued on the operational areas covered in the comprehensive management audit of the Department of Peacekeeping Operations

		Number of recommendations				*Implementation status*[a]		
Operational area	*Audit Number*	*Total issued*	*Critical*	*Accepted*[b]	*Not accepted*[c]	*Implemented*	*In progress*	*Not started*
Procurement	AP2005/600/20	32	32	26	6	2	8	16
Financial management and budgeting	AP2005/600/19	28	20	23	5	—	8	15
Human resources	AP2005/600/18	30	17	25	5	6	7	12
Information and communication technology	AP2005/600/17	14	8	13	1	1	12	—
Integrated mission planning process	AP2005/600/15	12	6	12	—	—	11	1
Substantive operations	AP2005/600/16	30	16	22	8	4	7	11
Best practices	AP2005/600/23	12	6	12	—	2	10	—
Total		**158**	**105**	**133**	**25**	**15**	**63**	**55**

[a] Status of accepted recommendations as at 24 February 2006.
[b] Including partially accepted recommendations.
[c] OIOS has reiterated these recommendations for reconsideration by the department concerned.